

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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This is UNEVALUATED Information

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
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 (FOR KEY SEE REVERSE)

1. The most important political event which occurred in Rumania between June 1952 and August 1954 was the exclusion from the Rumanian Workers' Party of Ana Pauker, Teohari Georgescu, Vasile Luca, and Lotar Radaceanu. All four had been members of the Secretariat of the Party Central Committee. This intra-Party reshuffle produced an extraordinary effect on the Rumanian people, who believed that a Party upheaval offered a favorable opportunity for the people to express their dissatisfaction of the regime. The composition of the new Party Secretariat, composed of Gheorghe Gheorghiu-Dej, Alexandru Moghioros, Iosif Chisinevski, Gheorghe Apostol, and Chivu Stoica, was regarded by the population as a weakening of the Party structure. 25X1
2. The violent abuse of the fallen leaders, who were accused of opportunism, deviationism, collaboration with corrupt elements, and sabotage, by the Rumanian papers brought about radical changes in the rank and file of the Party. For instance, an analysis of employee and Party member activity within the Ministry of Finance led to the conclusion that the country's economy and finance were being sabotaged. The Party organization within the Ministry was immediately dissolved and hundreds of employees were fired. Many Party members were excluded after a summary procedure. The women's organization was also dissolved and many members fired. The same situation existed in the Ministry of Foreign Affairs. The Party organizations were ordered by the Central Committee of the Rumanian People's Republic to investigate all enterprises within the socialist sector and to eliminate those individuals who were deemed to be unfit.
3. During this period, surveillance and security measures were intensified. This was especially true in the office of Controlul Strainilor (Supervision of Aliens), which had its offices in the Cretulescu Galleries next to the former Royal Palace. Access was permitted only to aliens who were awaiting decisions on requests for visas for repatriation. At this time aliens were separated from the jobs which they held in state enterprises, with some exceptions in

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- 2 -

25X1

the cooperative field, where it was argued that secrecy was less important. A great flurry of excitement was caused by the rumor that Ana Pauker had smuggled large sums in foreign currencies to Switzerland. Colonel Zamfir, Director of Surveillance and Passports, his wife, and his mother-in-law were arrested, and he was sent to work on the Danube-Black Sea Canal because it was discovered that he had obtained huge sums of money by granting passports to people not entitled to them, such as former aliens who had acquired Rumanian citizenship or Jews who had smuggled large amounts of foreign currencies out of the country. Zamfir's wife and mother-in-law were his agents for these transactions.

4. From July 1952 to the end of the year the newspapers were filled with the Party's organizational shortcomings and of desperate appeals for vigilance to prevent the infiltration into the Party ranks of class enemies. There followed a Plenum of the Central Committee of the Rumanian People's Republic and of the Secretariat of the Party. Political and economic shortcomings were analyzed and the ministries not fulfilling their production plans were singled out, among them the Ministry of Construction, the Ministry of Light Industry, and the Artisans' Cooperatives. Economic laws also became more severe, arrests more frequent, and the fear of arrest grew. The number of people deported to the Danube-Black Sea Canal, and dying there, kept on growing in 1952, with the arrests reaching a maximum by the end of the year.
5. The monetary reform of January 1953 was a failure and the value of money continued to depreciate. The price of food increased considerably to reach a maximum in 1954, when some prices went up from 100 to 300 percent, especially for consumer goods. Taxation became ruthless after the appointment of D. Petrescu as Finance Minister. A small craftsman's final assessment was 25,000 to 30,000 lei over and above what he had to pay provisionally. These individuals were forced to close shop and join the craftsmen's cooperative. Tax delinquents were prosecuted immediately.
6. In 1953, life grew increasingly difficult for people with small incomes. Exploitation by the Sovroms of the country's resources was more and more ruthless and increasingly resented. Meat, fish, and butter were unavailable in the markets. Small quantities could be obtained only with ration cards. Queues for food, clothing, and shoes became longer and longer. Bread could only be obtained with a card and by standing in endless lines. At the beginning of 1953, the few small private foodstores still in existence were abolished. A government decision appearing in all the newspapers criticized the craftsmen's cooperatives and accused them of producing insufficient and poor goods.
7. Employees were forced to work three to six hours overtime above the official eight hours but received no extra pay. Salaries were paid only within the limits of the allocations for salaries and there were cases when employees actually got less than their legal salaries with the explanation that the State Bank had exhausted its salary funds. The Party announced that the workers had demanded an increase in the norms to support the monetary reform but such was not the case. In fact, the norms exceeded the capacity of even the best workers and the result was a continuous fall in wages.
8. The announcement of the death of Stalin was received with deep satisfaction by all classes of the population. The Rumanian people expected a radical change, even a revolution, especially since all sorts of rumors were circulated, including one that Stalin had been poisoned by Malenkov. The papers did not write too much about Stalin's death and it was soon forgotten, as if it had been an unimportant event. The Rumanian people were surprised at this after all the adulation given Stalin during his lifetime when people in offices and factories had to rise and cheer every time his name was mentioned. The impression was gained that once again the hungry

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- 3 -

25X1

and oppressed Rumanian nation had had its morale boosted and expected each day to bring good news. The rumor spread that Malenkov and Beria were at odds. Many people thought that Beria would be the next boss of Russia, but were fearful that if this criminal seized power the situation would grow worse in Rumania too and that more people would be arrested. Experience had shown that every change in the political situation was followed by a wave of arrests and tortures.

9. Gheorghiu-Dej was called to Moscow immediately and his policy was mapped out. He was to reshuffle his cabinet and the Party leadership. Posts of trust were given to Apostol, Bodnarus, Parvulescu, Stoica, and Constantinescu. Malenkov's rise to power confirmed the predictions of some of the Rumanians who had expected it. However, the execution of Beria, who was accused of treason and collaboration with the imperialists, came as a great surprise to the population. The only answer which the Rumanian people could find was that Beria controlled only the Soviet security forces while Malenkov controlled the whole Soviet army.
10. In late 1953 and 1954, the Rumanian people had the impression that the communist state was trying a more conciliatory policy. Two decrees appeared granting amnesties for penal offenses but not for political ones. Almost all the professors at the Law School and the Commercial Academy, who had been politically active in the past, were arrested. Work on the Danube-Black Sea Canal was gradually slowed down and finally, in 1954, stopped altogether because of an extraordinary technical failure. Soviet technicians were responsible for all technical plans and guidance and in an effort to exonerate them the communists publicized in the papers that there were more urgent essential tasks to be performed, which was the reason for abandoning work on the Canal. In fact, the mechanization of agriculture was undertaken in Dobrudja and also the fertilization of the soil, but according to information received, neither of these projects had the scope of special undertakings with large capital investments. After work on the Canal was stopped, all those sentenced to work there were transferred to the site of the Bicas power plant.
11. In 1954, Doncea, who had been relieved as Deputy Minister of War and was back in the People's Council, authorized the reopening of small food and vegetable stores by private tradesmen. These individuals were forced to pay a flat monthly tax of 5,000 lei. A few private candy stores were also opened. They had been practically non-existent because of the lack of sugar. Some 70 or 80 small shoemakers were arrested in Bucharest and tried in Stalin Court on Piata Amzei. They were accused of having obtained their materials (leather, rubber soles, etc.) on the black market, their source being a railroad car which had been pilfered while on its way to the Soviet Union.
12. The majority of the Sovroms were liquidated in 1954 and the transfer of Soviet capital to the USSR was begun immediately. Simultaneously, all state and cooperative enterprises reduced their forces to as much as 10 to 15 percent. The winter of 1954 was a tragic one for the Rumanian people and accentuated the chronic food shortage. Many people died of hunger and cold, especially children and old people who were frozen in their homes on account of the lack of wood. Cloth was unobtainable on the free market. Shoes, too, were in very short supply. In spite of subsequent efforts made by the Rumanian government to increase the supply of consumer goods, dissatisfaction and lack of confidence in the regime has grown steadily. All Rumanians, and especially the peasants who have been robbed of the fruits of their labor, await with confidence the day of the country's liberation.

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